

**Transfers of Capital Assets Policy**

Policy Area: Accounting & Financial Reporting	Effective Date: 7/1/2007
Policy Sub Area: Capital Assets	Last Revision Date: NA
Authority: GASB Codification S20	Policy Owner/Division: Statewide Accounting

Policy

Capital assets should not be revalued when transferred between funds and/or component units of the State's financial reporting entity. In these circumstances, the transferee should recognize the capital assets at the transferor's carrying value. These intra-entity transfers include donations or purchases/sales of capital assets between any combination of the funds and/or component units of the State's financial reporting entity including State agencies, universities, community colleges, and all other component units of the State.

(Note: Intra-entity donations of capital assets should not be reported at fair value as of the date of donation, as was previously required.)

Procedures

NA

Accounting Guidance

Example – Component Unit A donated a building with an original cost of \$400,000 and accumulated depreciation of \$150,000 to Component Unit B. The building had a fair value as of the date of donation of \$1.2 million.

Component Unit B would make the following accounting entry:

Caption	Debit	Credit
Building	\$400,000	
Accumulated Depreciation		\$150,000
Capital Gift Revenue		\$250,000

Component Unit A would also recognize a corresponding expense of \$250,000.

Related Documents (Memos/Forms)

NA

Revision History	
Date	Description